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E.O. 12958: DECL: 01/25/2020  
TAGS: [EAGR](#) [ECON](#) [EFIN](#) [EINV](#) [ENRG](#) [ETRD](#) [RW](#)  
SUBJECT: RWANDAIR SIGNS WITH BOEING, EXPANDS FLEET

Classified By: Ambassador W.S. Symington for reason 1.4 (b) and (d)

¶1. (C) Rwandair signed in December 2009 a contract with Boeing to buy two new 737-800 aircraft for \$84 million. At the signing celebration on December 17, the Rwandair CEO praised Embassy efforts supporting the negotiation. The new aircraft will feature innovative "Dreamliner" interiors and are scheduled for delivery in August 2011. Rwandair Director of Operations Jack Ekl told Econoff that Boeing offered the airline a substantial discount and said "we could not have gotten a better deal." Rwandair CEO Ambassador Gerald Zirimwabagabo confirmed to Econoff that in December 2009, Rwanda signed and ratified the Cape Town convention as a measure to facilitate aviation finance.

¶2. (SBU) Ekl advised that Rwandair is also in the final stages of negotiating the purchase of a Boeing 767-200 extended range aircraft from U.S.-based Jet Mid West and a 737-400 from Boeing, previously owned by Olympic Airways. Rwandair hopes to purchase the two aircraft for an additional \$15 million. The 767 will give Rwandair the range to fly nonstop to London or Frankfurt, and provide enhanced cargo capacity to Dubai and South Africa. Ekl estimated the aircraft could begin service as early as March 2010. Rwandair will use the 737-400 for intermediate-range regional travel including to Dubai, Kinshasa and Johannesburg. Ekl suggested that once the 737-800 planes are delivered, Rwandair could use the 737-400 to support Rwanda's ongoing deployment of peacekeepers to Darfur.

¶3. (C) Boeing Sales VP for Latin America, Middle East and Africa Ihssane Mounir told Econoff that Boeing would seek Ex-Im Bank support for the sales. Mounir said Ex-Im Bank and Department of Treasury had expressed concern to Boeing that the sales would increase Rwanda's debt burden. Mounir noted that Boeing would work with Ex-Im Bank to resolve this issue but asked for Department of State support, especially with Treasury, to help make the case for financing.

¶5. (SBU) The purchase of the Boeing aircraft follows the acquisition of two CRJ aircraft from Lufthansa in December 2009 that Rwandair will use for short- and intermediate-range regional travel. Ekl advised that in November 2009 Rwandair signed a contract with Lufthansa to maintain both the CRJ and the Boeing aircraft. On January 20, the South Africa Civil Aviation Authority authorized Rwandair to commence direct flights to South Africa using the new aircraft. Rwandair has scheduled its first flight with the new aircraft to Johannesburg for February 3, 2010, according to Ekl. Last month, Democratic Republic of Congo (DRC) authorized Rwandair to begin flying directly to Kinshasa and other cities in the DRC.

¶6. (C) Comment: Rwanda is a landlocked country that suffers economically from limited access to export markets and related high transportation costs. Rwandair, supported by the Government of Rwanda (GOR), is taking advantage of deep

discounts offered by the aviation industry and seeks to build a regional aviation hub linking eastern, central and western Africa to key markets in the Middle East and Europe. Expanding Rwandair's capacity and building air bridges to key markets are part of a logical and ambitious GOR plan to expand tourism, boost exports and diversify Rwanda,s economy. Post supports USG assistance to Rwandair to expand its fleet and recommends approval of Ex-Im Bank financing for the sale. End Comment.

SYMINGTON